REGISTERED NUMBER: 01287461 (England and Wales)

DYFED STEELS LIMITED

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Gerald Thomas
Chartered Accountants and Statutory Auditor
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	D W Thomas D J Thomas R Thomas-Owen J P Scourfield
SECRETARY:	D J Thomas
REGISTERED OFFICE:	Tube Works Maescanner Road Dafen Llanelli Carmarthenshire SA14 8NS
REGISTERED NUMBER:	01287461 (England and Wales)
AUDITORS:	Gerald Thomas Chartered Accountants and Statutory Auditor 3 New Mill Court Swansea Enterprise Park Swansea SA7 9FG

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS
The consolidated statement of comprehensive income for the year is set out in the annexed financial statements.

The strategy of the business is to increase its share of the market by focussing on strong customer service.

The company and the group enjoy a number of competitive advantages including strong brand recognition in its heartland trading region, where it consistently achieves a strong market share; a well established reputation for price competitiveness; a knowledge and enthusiastic workforce and excellent customer focus throughout the business.

The trading environment arising from Covid-19 brought about a market reduction in reported activity levels in FY'20 relative to FY'19.

The management team implemented a range of working capital and cost saving measures during FY'20. The continuation back to "normal" trading this year has contributed to a 75% rise in turnover. FY'21 turnover has increased from FY'20 due to increased volumes and rising steel prices.

The group enters FY'22 with high expectations of maintaining and improving on the success of this year.

KPI's	2021	2020
	£'000	£'000
Turnover	89,105	50,919
Gross profit	25,751	13,996
Gross margin	29%	27%
EBITDA	10,756	1,521
Operating profit	9,514	773

EBITDA defined as earnings before interest, taxes, depreciation and amortisation as follows :

	2021	2020
	£'000	£'000
EBITDA	10,756	1,521
Depreciation and amortisation	(1,242)	(748)
Operating profit	9,514	773

The group continues to have a strong financial position with healthy cash balances at the date of Statement of Financial Position and post year-end.

The directors have a reasonable expectation that the business has adequate financial resources to continue in operational existence for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the company and group (together the "Business") and the execution of the corporate strategy are subject to a number of risks.

The key business risks can be summarised as follows:

Risk	Potential impact	Mitigation
Competition	The market in which the company operates is subject to strong competition. The impact of such competition could impact on margins.	The company continues to invest heavily in its range of stock, providing customers with a wide choice of product. This, coupled with a strong focus on customer service, results in a high level of repeat business.
People	The business could be impacted by the loss of key individuals.	The business looks to increase staff engagement through regular opportunities to give feedback and to influence the future business developments andtraining and progression opportunities
Covid-19	The full extent of the impact of Covid-19 isunclear and it is difficult to evaluate all of the potential implications on the company's trade, customers supplies and the wider economy.	The directors have prepared forecasts and taken steps to manage the group's cashflow requirements during this period of continued economic uncertainty and to enable the business to meet its obligations as they fall due.

FINANCIAL RISK MANAGEMENT
The business is exposed to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk, and interest rate risk. The directors seek to limit these adverse effects on the financial performance of the business by monitoring levels of debt finance and related finance costs. Given the size of the business the directors do not delegate responsibility for monitoring financial risk management to a subcommittee of the board. The policies set by the board of directors are implemented by the company's finance department.

PRICE RISK
The business is exposed to commodity price risk as a result of its operations. The directors monitor market movements in material prices on a regular basis but do not consider it to be beneficial to undertake any formal hedging arrangements. The business has no exposure to equity securities price risk as it holds no listed or other equity instruments.

CREDIT RISK
The business has implemented policies that require appropriate credit checks to be made both on existing and potential customers before sales are made. The amount of exposure to any individual counterparty is continually monitored in line with credit control procedures.

LIQUIDITY AND INTEREST RATE RISK
The business actively maintains short term debt finance that is designed to ensure the business has sufficient available funds for operations and planned expansions. The business has interest bearing assets comprising cash amounts, all of which earn interest at variable rates.

SECTION 172(1) STATEMENT
The following statement details the considerations required to be carried out by the directors in their performance of their duties in relation to s172 of the Companies Act 2006.

The Board of Directors consider that they have acted in ways that they believe in good faith to be most likely to promote the success of the company and the group for the benefit of its members as a whole.

The directors have had regard to the matters set out in section 172 (1) (a) to (f) when performing their duty under section 172 of the Companies Act 2006.

(a) The likely consequences of any decision in the long-term ;

(b) The interests of the group's employees ;

(c) The need to foster the group's business relationships with suppliers, customers and others ;

(d) The impact of the group's operations on the community and the environment ;

(e) The desirability of the group maintaining a reputation for high standards of business conduct ; and

(f) The need to act fairly as between members of the group.

DECISION-MAKING
Our plans are formulated to have a positive, beneficial impact on the group over the mid to long-term.

The Board takes into consideration the interests of stakeholders in their decision-making.

ENGAGEMENT WITH EMPLOYEES
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS
The directors are committed to developing and maintaining strong relationships with the group's suppliers and customers.

Our strategies consider the impact of our operations on the community and environment, including how we comply with environmental legislation.

The group recognises the importance of its environmental responsibilities and accepts that concern for the environment and employees is an integral and fundamental part of its corporate business strategy.

LOCAL COMMUNITY AND ENVIRONMENT
The group endeavours to reduce the environmental impact of its business activities and improve environmental efficiency through using the latest technologies and innovation. Initiatives include reducing the consumption of energy and other natural resources where possible.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

The directors believe that a commitment to strong corporate governance standards is an essential element of enhancing long-term shareholder value in a sustainable manner.

As a Board of Directors, our intention is always to ensure that the business operates in a responsible manner, adhering to high standards of business conduct and good governance. We recognise that the maintenance of our good reputation, founded on responsible behaviour, is fundamental to our continuing ability to achieve sustainable growth for the benefit of our stakeholders.

ON BEHALF OF THE BOARD:

D W Thomas - Director

16 August 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of metal stockholders.

DIVIDENDS
The total distribution of dividends for the year ended 31 December 2021 will be £ 254,000 .

DIRECTORS
D W Thomas has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

D J Thomas - appointed 20 May 2021
R Thomas-Owen - appointed 20 May 2021
J P Scourfield - appointed 20 May 2021

FINANCIAL INSTRUMENTS
The group's principal financial instruments comprise bank balances, bank loans, invoice discounting, trade debtors and creditors and finance lease agreements.

The main purpose of these financial instruments is to raise funds for the business operations and to provide finance for the group.

Financial instrument risks and the measures implemented by the group to address these risks are set out in the summary of principal risks and uncertainties in the Strategic Report.

POLITICAL DONATIONS AND EXPENDITURE
The Group made £nil political donations in the year.

GOING CONCERN
In preparing the financial statements the directors have considered the current financial position of the group and likely future cash flows.

It is difficult to evaluate all the potential implications of the current economic uncertainty on the group's trade, customers, suppliers, and the wider economy. The directors have prepared forecasts for the year ahead and taken steps to manage the group's cash flow requirements during this period of uncertainty.

At the time of approving the financial statements the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis.

DISABLED PERSONS
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged.

STREAMLINED ENERGY AND CARBON REPORTING
As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficacy activities.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

DISCLOSURE IN THE STRATEGIC REPORT
Included in the group's strategic report is a review of business and a description of the principal risks and uncertainties facing the company. Details in relation to the use of financial instruments, employee involvement and environmental policies are also included in the group's strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Gerald Thomas, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D W Thomas - Director

16 August 2022

Opinion

We have audited the financial statements of Dyfed Steels Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page seven, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Detecting Irregularities
The objectives of our audit in relation to fraud are as follows :
- to identify and assess the risks of material mis-statement of the financial statements due to fraud ;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material mis-statement due to fraud, through designing and implementing appropriate responses ;
- and to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both Those Charged With Governance of the entity and management.

Auditor's approach to assessing the risks of material mis-statement due to irregularities, including fraud
We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK.

We assessed the risks of material misstatement in respect of fraud and considered the extent to which non-compliance with laws and regulations might have a material effect on the financial statements.

Audit procedures designed to respond to the risks of non-compliance with laws and regulations
Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. We made enquiries of management to understand how the group and the company is complying with those frameworks.

Audit procedures performed by the engagement team also included a review of the financial statements disclosures to underlying supporting documentation.

Audit procedures designed to respond to the risks of fraud
We assessed the susceptibility of the group's financial statements to material mis-statement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud.

Management override of controls
We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach. The audit engagement team performed journal entry testing using a risk-based approach and evaluating whether there was evidence of bias, with a focus on any journals indicating large or unusual transactions based on our understanding of the company.

Considerations around likelihood of detection
However owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material mis-statements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Garland (Senior Statutory Auditor)
for and on behalf of Gerald Thomas
Chartered Accountants and Statutory Auditor
3 New Mill Court
Swansea Enterprise Park
Swansea
SA7 9FG

16 August 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	4	89,104,941	50,918,508
Cost of sales		63,354,373	36,922,713
GROSS PROFIT		25,750,568	13,995,795
Administrative expenses		16,581,980	15,082,684
		9,168,588	(1,086,889)
Other operating income		345,829	1,859,874
OPERATING PROFIT	6	9,514,417	772,985
Interest payable and similar expenses	7	96,004	69,284
PROFIT BEFORE TAXATION		9,418,413	703,701
Tax on profit	8	1,459,274	475,000
PROFIT FOR THE FINANCIAL YEAR		7,959,139	228,701
OTHER COMPREHENSIVE INCOME			
Revaluation of tangible fixed assets		497,263	128,200
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		497,263	128,200
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		8,456,402	356,901
Profit attributable to:			
Owners of the parent		7,959,139	228,701
Total comprehensive income attributable to:			
Owners of the parent		8,456,402	356,901

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		14,931,816		11,730,198
Investments	13		-		-
			14,931,816		11,730,198
CURRENT ASSETS					
Stocks	14	15,501,285		10,104,499	
Debtors	15	17,496,172		11,518,487	
Cash at bank and in hand		1,302,093		187,162	
		34,299,550		21,810,148	
CREDITORS					
Amounts falling due within one year	16	25,191,127		17,721,878	
NET CURRENT ASSETS			9,108,423		4,088,270
TOTAL ASSETS LESS CURRENT LIABILITIES			24,040,239		15,818,468
CREDITORS					
Amounts falling due after more than one year	17		(2,040,620)		(2,521,251)
PROVISIONS FOR LIABILITIES	21		(1,179,000)		(679,000)
NET ASSETS			20,820,619		12,618,217
CAPITAL AND RESERVES					
Called up share capital	22		45,000		45,000
Revaluation reserve	23		4,087,875		3,590,612
Retained earnings	23		16,687,744		8,982,605
SHAREHOLDERS' FUNDS			20,820,619		12,618,217

The financial statements were approved by the Board of Directors and authorised for issue on 16 August 2022 and were signed on its behalf by:

D W Thomas - Director

The notes form part of these financial statements

DYFED STEELS LIMITED (REGISTERED NUMBER: 01287461)

COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		14,931,816		11,730,198
Investments	13		-		-
			14,931,816		11,730,198
CURRENT ASSETS					
Stocks	14	15,501,285		10,104,499	
Debtors	15	17,496,172		11,518,487	
Cash at bank and in hand		1,302,093		187,162	
		34,299,550		21,810,148	
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Amounts falling due within one year	16	25,191,127		17,721,878	
NET CURRENT ASSETS			9,108,423		4,088,270
TOTAL ASSETS LESS CURRENT LIABILITIES			24,040,239		15,818,468
CREDITORS					
Amounts falling due after more than one year	17		(2,040,620)		(2,521,251)
PROVISIONS FOR LIABILITIES	21		(1,179,000)		(679,000)
NET ASSETS			20,820,619		12,618,217
CAPITAL AND RESERVES					
Called up share capital	22		45,000		45,000
Revaluation reserve	23		3,737,875		3,240,612
Retained earnings	23		17,037,744		9,332,605
SHAREHOLDERS' FUNDS			20,820,619		12,618,217
Company's profit for the financial year			7,959,139		228,701

The financial statements were approved by the Board of Directors and authorised for issue on 16 August 2022 and were signed on its behalf by:

D W Thomas - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2020	45,000	8,753,904	3,462,412	12,261,316
Changes in equity				
Total comprehensive income	-	228,701	128,200	356,901
Balance at 31 December 2020	45,000	8,982,605	3,590,612	12,618,217
Changes in equity				
Dividends	-	(254,000)	-	(254,000)
Total comprehensive income	-	7,959,139	497,263	8,456,402
Balance at 31 December 2021	45,000	16,687,744	4,087,875	20,820,619

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2020	45,000	9,103,904	3,112,412	12,261,316
Changes in equity				
Total comprehensive income	-	228,701	128,200	356,901
Balance at 31 December 2020	45,000	9,332,605	3,240,612	12,618,217
Changes in equity				
Dividends	-	(254,000)	-	(254,000)
Total comprehensive income	-	7,959,139	497,263	8,456,402
Balance at 31 December 2021	45,000	17,037,744	3,737,875	20,820,619

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	5,510,770	1,244,380
Interest paid		(17,860)	(12,049)
Interest element of hire purchase payments paid		(78,144)	(57,235)
Dividends		(254,000)	-
Net cash from operating activities		5,160,766	1,175,096
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,911,898)	(313,248)
Sale of tangible fixed assets		69,401	-
Net cash from investing activities		(3,842,497)	(313,248)
Cash flows from financing activities			
Loan repayments in year		(111,381)	(42,902)
Capital repayments in year		(91,957)	(374,671)
Net cash from financing activities		(203,338)	(417,573)
Increase in cash and cash equivalents		1,114,931	444,275
Cash and cash equivalents at beginning of year	2	187,162	(257,113)
Cash and cash equivalents at end of year	2	1,302,093	187,162

The notes form part of these financial statements

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	9,418,413	703,701
Depreciation charges	1,242,385	747,500
(Profit)/loss on disposal of fixed assets	(67,680)	2,980
Depreciation eliminated on revaluations	(36,563)	-
Dilapidations provisions	100,000	-
Finance costs	96,004	69,284
	10,752,559	1,523,465
(Increase)/decrease in stocks	(5,396,786)	3,711,723
(Increase)/decrease in trade and other debtors	(5,977,685)	506,635
Increase/(decrease) in trade and other creditors	6,132,682	(4,497,443)
Cash generated from operations	5,510,770	1,244,380

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	1,302,093	187,162

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	187,162	58,829
Bank overdrafts	-	(315,942)
	187,162	(257,113)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/21	Cash flow	At 31/12/21
	£	£	£
Net cash			
Cash at bank and in hand	187,162	1,114,931	1,302,093
	187,162	1,114,931	1,302,093
Debt			
Finance leases	(2,423,620)	91,957	(2,331,663)
Debts falling due within 1 year	(114,613)	-	(114,613)
Debts falling due after 1 year	(658,666)	111,381	(547,285)
	(3,196,899)	203,338	(2,993,561)
Total	(3,009,737)	1,318,269	(1,691,468)

1. STATUTORY INFORMATION

Dyfed Steels Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Monetary amounts in these financial statements are rounded to the nearest £.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern
The financial statements have been prepared on a going concern basis which assumes the group will continue in operational existence for the foreseeable future. In making their assessment the directors have reviewed the statement of financial position, the likely future cashflows of the business and have considered the working capital facilities that are in place at the date of signing the report. As at 31 December 2021 the group has net assets of £20.8m.

The current economic climate remains uncertain, including uncertainty as to the full impact of Covid-19 on the wider economy. However based on the information that is currently known, the directors have prepared forecasts covering the period of 12 months from the date of signing the financial statements, and taken steps to manage the group's cash flow requirements during this period of uncertainty.

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis.

Basis of consolidation
The consolidated financial statements incorporate those of Dyfed Steels Limited and all of its subsidiaries (ie. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2021.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

continued...

2. ACCOUNTING POLICIES - continued

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue recognition
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch of the goods) the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulated depreciation and impairment provisions. Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold land and buildings	2% straight line for buildings, land is not depreciated
Plant and machinery	5 - 10% straight line
Fixtures, fittings & equipment	20 - 33% straight line
Motor vehicles	10 - 12.5% straight line

Stocks
Stocks are valued at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax
Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

continued...

2. ACCOUNTING POLICIES - continued

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of company.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Accrual for annual leave
The Group accrue for annual leave that was earned but not taken by employees at the statement of financial position date, as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The accrual is measured at the salary cost payable for the period of absence.

continued...

2. ACCOUNTING POLICIES - continued

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provision for dilapidations
Provisions for dilapidations are provided when the Group becomes obligated and the liability can be reliably estimated.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows :

Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors
The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Inventory provisioning
The group operates as metal stockholders, and as a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of metal stocks.

continued...

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Sale of metal	89,104,941	50,918,508
	89,104,941	50,918,508

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	89,104,941	50,918,508
	89,104,941	50,918,508

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	8,014,015	8,157,590
Social security costs	779,758	750,792
Other pension costs	226,174	233,408
	9,019,947	9,141,790

The average number of employees during the year was as follows:

	2021	2020
Sales & administration	95	111
Production & distribution	174	175
	269	286

	2021	2020
	£	£
Directors' remuneration	177,267	56,375

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	1

continued...

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases	145,334	132,756
Depreciation - owned assets	1,004,479	385,538
Depreciation - assets on hire purchase contracts	237,906	351,962
(Profit)/loss on disposal of fixed assets	(67,680)	2,980
Goodwill amortisation	-	10,000
Auditors' remuneration	30,000	30,000
Taxation compliance services	3,000	3,000
Other non- audit services	-	10,000
Foreign exchange differences	4,003	2,536

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	17,860	12,049
Hire purchase	78,144	57,235
	96,004	69,284

8. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	1,059,274	-
Deferred tax	400,000	475,000
Tax on profit	1,459,274	475,000

continued...

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	9,418,413	703,701
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	1,789,498	133,703
Effects of:		
Expenses not deductible for tax purposes	6,397	40,297
Capital allowances in excess of depreciation	(336,621)	-
Other permanent differences	-	(2,000)
Deferred tax adjustments in respect of prior years	-	303,000
Total tax charge	1,459,274	475,000

Tax effects relating to effects of other comprehensive income

	2021		
	Gross	Tax	Net
	£	£	£
Revaluation of tangible fixed assets	497,263	-	497,263

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

The total distribution of dividends for the year ended 31 December 2021 will be £254,000.

continued...

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 January 2021 and 31 December 2021	476,882
AMORTISATION	
At 1 January 2021 and 31 December 2021	476,882
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	-

Company

	Goodwill £
COST	
At 1 January 2021 and 31 December 2021	476,882
AMORTISATION	
At 1 January 2021 and 31 December 2021	476,882
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	-

continued...

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 January 2021	6,790,678	8,612,496	441,631
Additions	112,618	640,290	542
Disposals	-	(287,470)	-
Revaluations	497,263	-	-
At 31 December 2021	7,400,559	8,965,316	442,173
DEPRECIATION			
At 1 January 2021	68,056	5,333,677	441,631
Charge for year	74,970	600,784	-
Eliminated on disposal	-	(285,749)	-
Eliminated on revaluations	(36,563)	-	-
At 31 December 2021	106,463	5,648,712	441,631
NET BOOK VALUE			
At 31 December 2021	7,294,096	3,316,604	542
At 31 December 2020	6,722,622	3,278,819	-

continued...

12. **TANGIBLE FIXED ASSETS - continued**

Group

	Motor vehicles £	Assets under construction £	Totals £
COST OR VALUATION			
At 1 January 2021	4,242,843	-	20,087,648
Additions	849,800	2,308,648	3,911,898
Disposals	-	-	(287,470)
Revaluations	-	-	497,263
At 31 December 2021	5,092,643	2,308,648	24,209,339
DEPRECIATION			
At 1 January 2021	2,514,086	-	8,357,450
Charge for year	566,631	-	1,242,385
Eliminated on disposal	-	-	(285,749)
Eliminated on revaluations	-	-	(36,563)
At 31 December 2021	3,080,717	-	9,277,523
NET BOOK VALUE			
At 31 December 2021	2,011,926	2,308,648	14,931,816
At 31 December 2020	1,728,757	-	11,730,198

Included within Freehold land and buildings above is a balance of £4,014k (2020 - £4,014k) relating to land that is not depreciated.

The principal freehold properties (including Llanelli and Radnedge) were revalued at June 2019 by Rowland Jones Chartered Surveyors who are independent to the company. Freehold property at Bramford and Radnedge was revalued at July 2021 by Lambert Smith Hampton and R J Chartered Surveyors respectively.

The Directors consider that the remaining properties included within freehold land and buildings to accurately reflect current market values. The valuations conform to International Valuation Standards and was based on recent market transactions on arms length basis for similar properties. The directors do not consider the valuations to be materially different from the professional valuations.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows :

	2021 £'000	2020 £'000
Cost	5,272	5,159
Accumulated depreciation	(1,588)	(1,480)
Carrying value	3,684	3,679

12. TANGIBLE FIXED ASSETS - continued

Group

The net book value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £'000	2020 £'000
Plant and machinery	1,296	1,879
Motor vehicles	1,408	1,381
	2,704	3,260

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST OR VALUATION			
At 1 January 2021	6,790,678	8,612,496	441,631
Additions	112,618	640,290	542
Disposals	-	(287,470)	-
Revaluations	497,263	-	-
At 31 December 2021	7,400,559	8,965,316	442,173
DEPRECIATION			
At 1 January 2021	68,056	5,333,677	441,631
Charge for year	74,970	600,784	-
Eliminated on disposal	-	(285,749)	-
Eliminated on revaluations	(36,563)	-	-
At 31 December 2021	106,463	5,648,712	441,631
NET BOOK VALUE			
At 31 December 2021	7,294,096	3,316,604	542
At 31 December 2020	6,722,622	3,278,819	-

continued...

12. **TANGIBLE FIXED ASSETS - continued**

Company

	Motor vehicles £	Assets under construction £	Totals £
COST OR VALUATION			
At 1 January 2021	4,242,843	-	20,087,648
Additions	849,800	2,308,648	3,911,898
Disposals	-	-	(287,470)
Revaluations	-	-	497,263
At 31 December 2021	5,092,643	2,308,648	24,209,339
DEPRECIATION			
At 1 January 2021	2,514,086	-	8,357,450
Charge for year	566,631	-	1,242,385
Eliminated on disposal	-	-	(285,749)
Eliminated on revaluations	-	-	(36,563)
At 31 December 2021	3,080,717	-	9,277,523
NET BOOK VALUE			
At 31 December 2021	2,011,926	2,308,648	14,931,816
At 31 December 2020	1,728,757	-	11,730,198

Included within Freehold land and buildings above is a balance of £4,014k (2020 - £4,014k) relating to land that is not depreciated.

continued...

12. TANGIBLE FIXED ASSETS - continued

Company

The principal freehold properties (including Llanelli and Radnedge) were revalued at June 2019 by Rowland Jones Chartered Surveyors who are independent to the company. Freehold property at Bramford and Radnedge was revalued at July 2021 by Lambert Smith Hampton and R J Chartered Surveyors respectively.

The Directors consider that the remaining properties included within freehold land and buildings to accurately reflect current market values. The valuations conform to International Valuation Standards and was based on recent market transactions on arms length basis for similar properties. The directors do not consider the valuations to be materially different from the professional valuations.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows :

	2021 £'000	2020 £'000
Cost	5,272	5,159
Accumulated depreciation	(1,588)	(1,480)
Carrying value	3,684	3,679

The net book value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £'000	2020 £'000
Plant and machinery	1,296	1,879
Motor vehicles	1,408	1,381
Carrying value	2,704	3,260

continued...

13. FIXED ASSET INVESTMENTS

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

D S Southwest Limited
Registered office: England & Wales
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	31/1/22	31/1/21
	£	£
Aggregate capital and reserves	2	2

Dyfed Steels (Southern) Limited
Registered office: England & Wales
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	31/1/22	31/1/21
	£	£
Aggregate capital and reserves	(127,001)	(127,001)

Dyfed Steels Mid-Wales Limited
Registered office: England & Wales
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	31/1/22	31/1/21
	£	£
Aggregate capital and reserves	(361,002)	(361,002)

Ex Stock Steels Limited
Registered office: England & Wales
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	31/1/22	31/1/21
	£	£
Aggregate capital and reserves	2	2

continued...

13. **FIXED ASSET INVESTMENTS - continued**

Excel (Steel Stock) Limited
Registered office: England & Wales
Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		31/1/22	31/1/21
		£	£
Aggregate capital and reserves		20,000	20,000

14. **STOCKS**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials	15,501,285	10,104,499	15,501,285	10,104,499

Stocks are stated after provisions for impairment of £3,488,380 (2020 - £468,090).

15. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	17,170,181	11,232,605	17,170,181	11,232,605
Other debtors	59,059	1,000	59,059	1,000
Prepayments and accrued income	266,932	284,882	266,932	284,882
	17,496,172	11,518,487	17,496,172	11,518,487

Trade debtors are stated after provisions for impairment of £455,000 (2020 - £235,000).

continued...

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 18)	114,613	114,613	114,613	114,613
Hire purchase contracts (see note 19)	1,034,070	888,310	1,034,070	888,310
Trade creditors	15,670,616	7,953,249	15,670,616	7,953,249
Corporation tax	1,059,274	-	1,059,274	-
Social security and other taxes	287,493	206,477	287,493	206,477
VAT	829,947	1,450,503	829,947	1,450,503
Other creditors	1,898,915	5,902,243	1,898,915	5,902,243
Directors' current accounts	127,000	-	127,000	-
Accrued expenses	4,037,574	1,010,105	4,037,574	1,010,105
Deferred government grants	131,625	196,378	131,625	196,378
	25,191,127	17,721,878	25,191,127	17,721,878

The Directors' current account balances are unsecured, interest-free and have no set repayment terms.

The company has entered into a contract that provides invoice discounting facilities in respect of its trade debts. Amounts of £1,731,918 (2020 - £5,979,512) are included in other creditors in respect of such balances.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (see note 18)	547,285	658,666	547,285	658,666
Hire purchase contracts (see note 19)	1,297,593	1,535,310	1,297,593	1,535,310
Deferred government grants	195,742	327,275	195,742	327,275
	2,040,620	2,521,251	2,040,620	2,521,251

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	114,613	114,613	114,613	114,613
Amounts falling due between one and two years:				
Bank loans - 1-2 years	547,285	658,666	547,285	658,666

continued...

18. LOANS - continued

Bank loans are subject to interest at 2.5% above the Bank of England base rate and are repayable in equal monthly instalments and are due to mature in 2027.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	1,034,070	888,310
Between one and five years	1,297,593	1,535,310
	2,331,663	2,423,620

Company

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	1,034,070	888,310
Between one and five years	1,297,593	1,535,310
	2,331,663	2,423,620

Company

	Non-cancellable operating	leases
	2021	2020
	£	£
Within one year	16,249	38,075
Between one and five years	8,851	8,851
	25,100	46,926

Finance lease payments represent rentals payable by the company for certain items of motor vehicles. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

continued...

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	661,898	773,279	661,898	773,279
Hire purchase contracts	2,331,663	2,423,620	2,331,663	2,423,620
Invoice discounting facility	1,731,918	5,979,512	1,731,918	5,979,512
	4,725,479	9,176,411	4,725,479	9,176,411

Bank loans and overdrafts are secured by a fixed and floating charge against the assets of the company.

Hire purchase creditors are secured over the assets to which they relate.

Invoice discounting facility is secured by a fixed charge over the assets of the company.

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax				
Deferred tax	794,000	594,000	794,000	594,000
Other timing differences	285,000	85,000	285,000	85,000
	1,079,000	679,000	1,079,000	679,000
Other provisions	100,000	-	100,000	-
Aggregate amounts	1,179,000	679,000	1,179,000	679,000

Group

	Deferred tax	Other provisions
	£	£
Balance at 1 January 2021	679,000	-
Charge to Statement of Comprehensive Income during year	400,000	100,000
Balance at 31 December 2021	1,079,000	100,000

continued...

21. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £	Other provisions £
Balance at 1 January 2021	679,000	-
Charge to Statement of Comprehensive Income during year	400,000	100,000
Balance at 31 December 2021	1,079,000	100,000

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. This analysis shows the deferred tax balances (after offset) for financial reporting purposes.

Other provisions relate to provisions for dilapidation costs.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value	2021 £	2020 £
36,000	Ordinary	£1	36,000	45,000
2,250	A Ordinary	£1	2,250	-
2,250	B Ordinary	£1	2,250	-
2,250	C Ordinary	£1	2,250	-
2,250	D Ordinary	£1	2,250	-
			45,000	45,000

23. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2021	8,982,605	3,590,612	12,573,217
Profit for the year	7,959,139		7,959,139
Dividends	(254,000)		(254,000)
Revaluation in year	-	497,263	497,263
At 31 December 2021	16,687,744	4,087,875	20,775,619

continued...

23. RESERVES - continued

Company

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2021	9,332,605	3,240,612	12,573,217
Profit for the year	7,959,139		7,959,139
Dividends	(254,000)		(254,000)
Revaluation in year	-	497,263	497,263
At 31 December 2021	17,037,744	3,737,875	20,775,619

24. PENSION COMMITMENTS

A defined contribution pension scheme is operated for the group's directors and employees.

The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension cost charge represents contributions payable by the group to the fund amounting to £226,174 (2020 - £233,408). £45,685 (2020 - £18,867) contributions were outstanding at the statement of financial position date.

25. CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for in the financial statements	549,068	67,000

26. RELATED PARTY DISCLOSURES

The directors are considered to be key management personnel.

27. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D W Thomas.